

**From:** Ellwein, Nancy [nancye@sentinelfcu.org]  
**Sent:** Thursday, March 19, 2009 3:14 PM  
**To:** \_Regulatory Comments  
**Subject:** Nancy Ellwein, Comments on Advanced Notice of Proposed Rulemaking for Part 704

**1. The Role of Corporates in the Credit Union System.**

Comment – Change the two tier system by eliminating US Central and reducing the number of Corporates to 6 – 8. By consolidating the Corporates, they could reach the economy of scale necessary to be competitive in their service offerings. Each credit union could choose which corporate(s) they would like to belong to and have MCS with. They could work together and have 2 or 3 different processing centers for payment services to serve all credit union members.

Liquidity – should be considered a core service offered by the corporates. The main liquidity our credit union has is the LOC we have with our Corporate.

Corporate Capital – should be risk based, depending on the structure and investment risks the individual Corporate takes.

Permissible Investments – Each Corporate should be able to invest in instruments that they have the expertise and capital to manage.

Corporate Governance – If the Corporates consolidate down to 6 – 8, I would suggest that there be at least one paid professional on the board of each corporate with the rest of the members being CEOs of their member credit unions. Most of the CEOs are not going to have the expertise to run enterprises of this size.

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